

DELIVERING THE GOODS:
VOUCHERS AS A LINK BETWEEN THE PUBLIC
AND PRIVATE SECTORS IN THE DELIVERY OF
PUBLIC HEALTH PRODUCTS

Kara Hanson

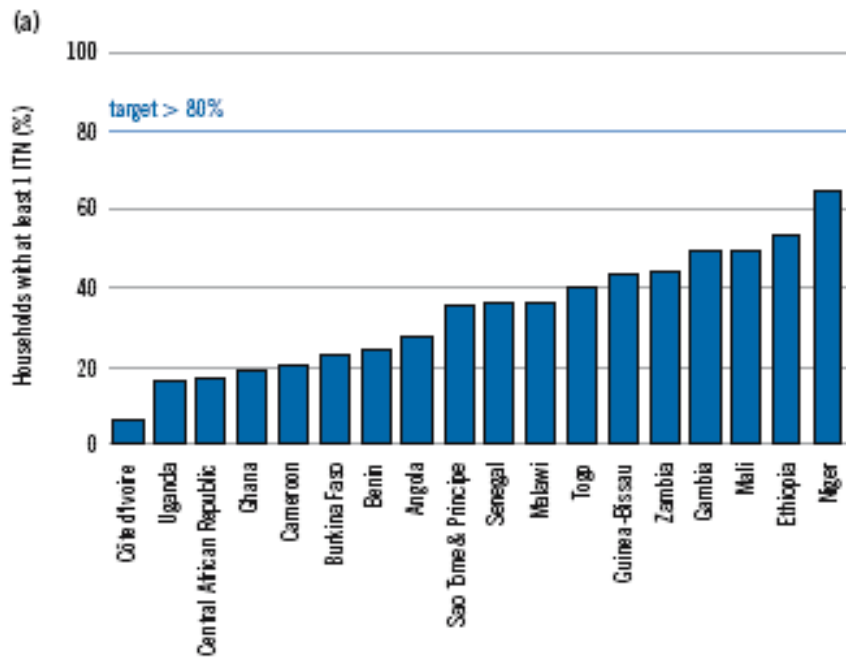
Health Economics and Financing
Programme, London School of Hygiene &
and Tropical Medicine

OUTLINE OF PRESENTATION

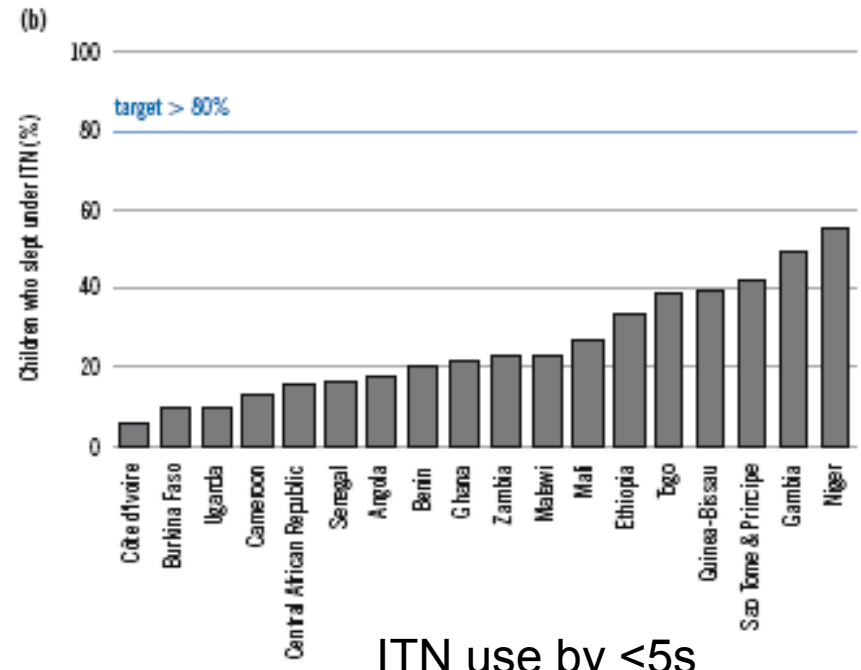
1. Malaria – The need for increased uptake of interventions and private sector opportunities
2. The case for vouchers as a form of demand-side subsidy linking the public and private sectors
3. *Hati Punguzo*, Tanzanian voucher scheme for ITNs: Successes and limitations

MALARIA: THE HUMAN AND ECONOMIC COST

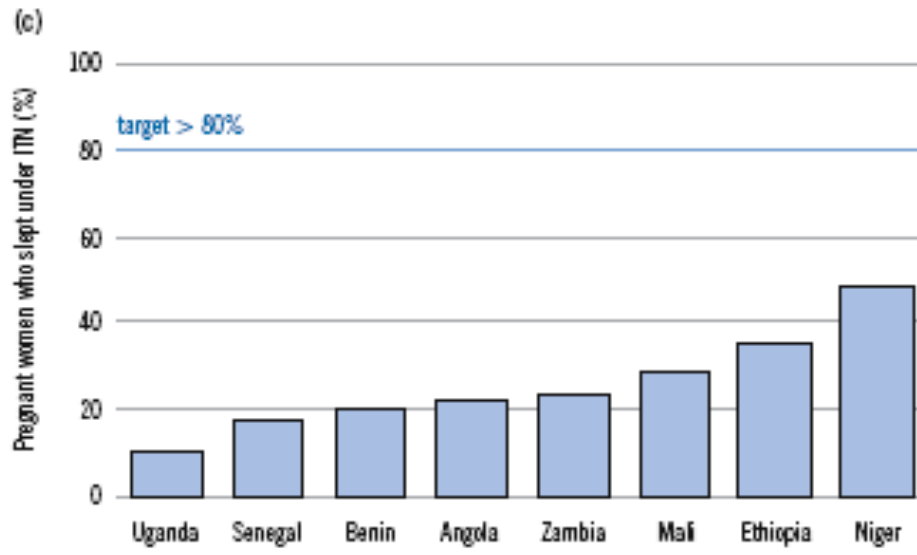
- Estimated to cause 800,000 child deaths in Africa each year
- Economic “growth penalty” of 1.3% per year in high burden countries (Gallup and Sachs)
- Cost to health services – up to 50% of outpatient visits, 30%-50% of inpatient admissions
- Significant out-of-pocket expenditure and indirect costs
- Long term effects on schooling and labour market outcomes



HH ITN ownership



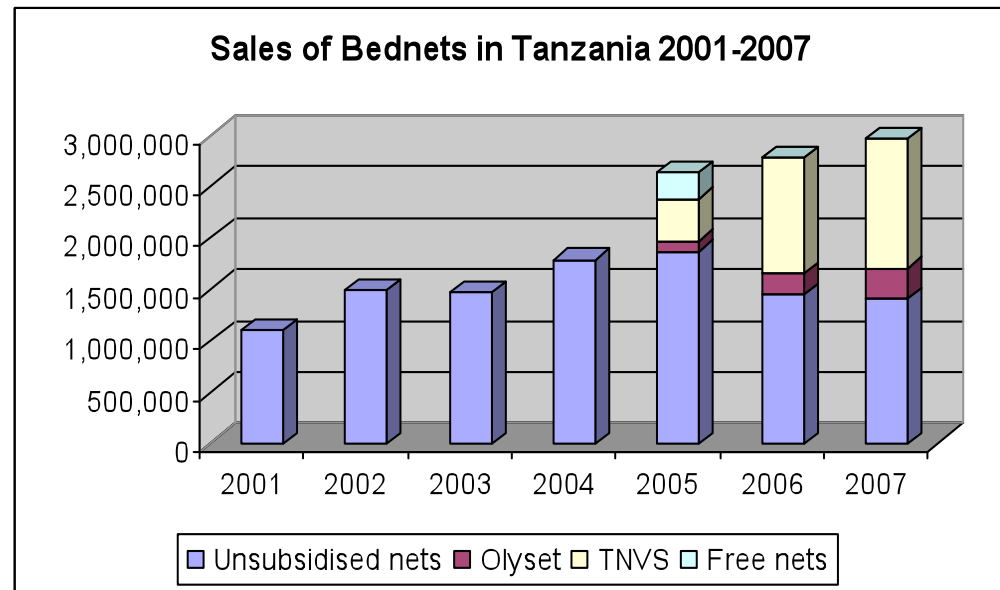
ITN use by <5s



ITN use by pregnant women

A BRIEF HISTORY OF NETS IN TANZANIA

- Nets as business: First factory begins producing finished nets in 1994, by 2007 4 manufacturers with local sales >2.5 million
- Research on ITNs: Tanzania home for studies showing effects of ITNs on health and survival, experimentation with delivery systems



NATIONAL ITN STRATEGIC PLAN (2000)

- Encourage development of commercial ITN market: SMITN and SMARTNET projects
 - Advocacy for tax and tariff reform
 - Initiated 100% bundling with insecticide
 - Technology transfer (LLINs, long-lasting treatment)
 - Information campaigns and promotion materials
 - Extension of distribution networks
- Targeted subsidy to vulnerable groups
 - Tanzania National Voucher Scheme (TNVS) for ITNs, *Hati Punguzo*: partial subsidy, mixed delivery system integrated with health system
 - Global Fund Round 1 award; 2007 Rolling Continuation Channel award; US PMI support to voucher scheme

WHY VOUCHERS?

- Consumer-led demand-side financing: subsidy + choice
- Targeted at particular group
- Provides a link between public and private sectors
- Desire to support commercial net distribution system, in face of targeting and sustainability concerns
- Concerns about burden to public sector of logistics and management of net stock



HATI PUNGUZO

- Only health voucher scheme to operate in LIC at national scale?
- Fixed value discount voucher (TSh32500 = US \$2.75) redeemable against purchase of ITN
- Provided to all pregnant women at antenatal clinic

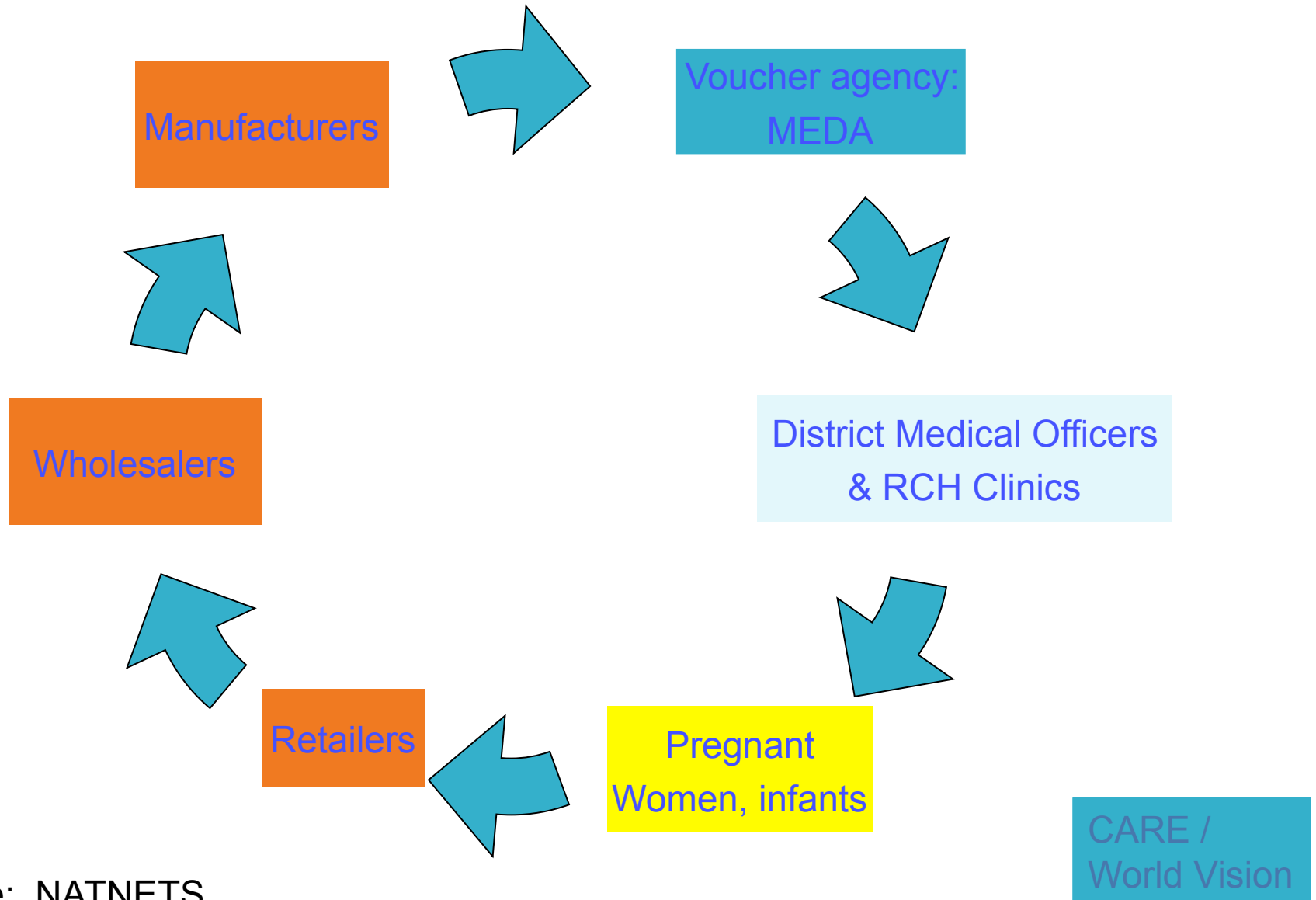


Jina kamili la mama: _____
Wāya: _____
Kata: _____
Kijiji: _____
Baazi/Mwenyekiti wa mtaa: _____
Namba ya kadi ya kliniki: _____
Jina la kliniki: _____
Mtumishi aliyedhinisha: _____
Tarehe: _____

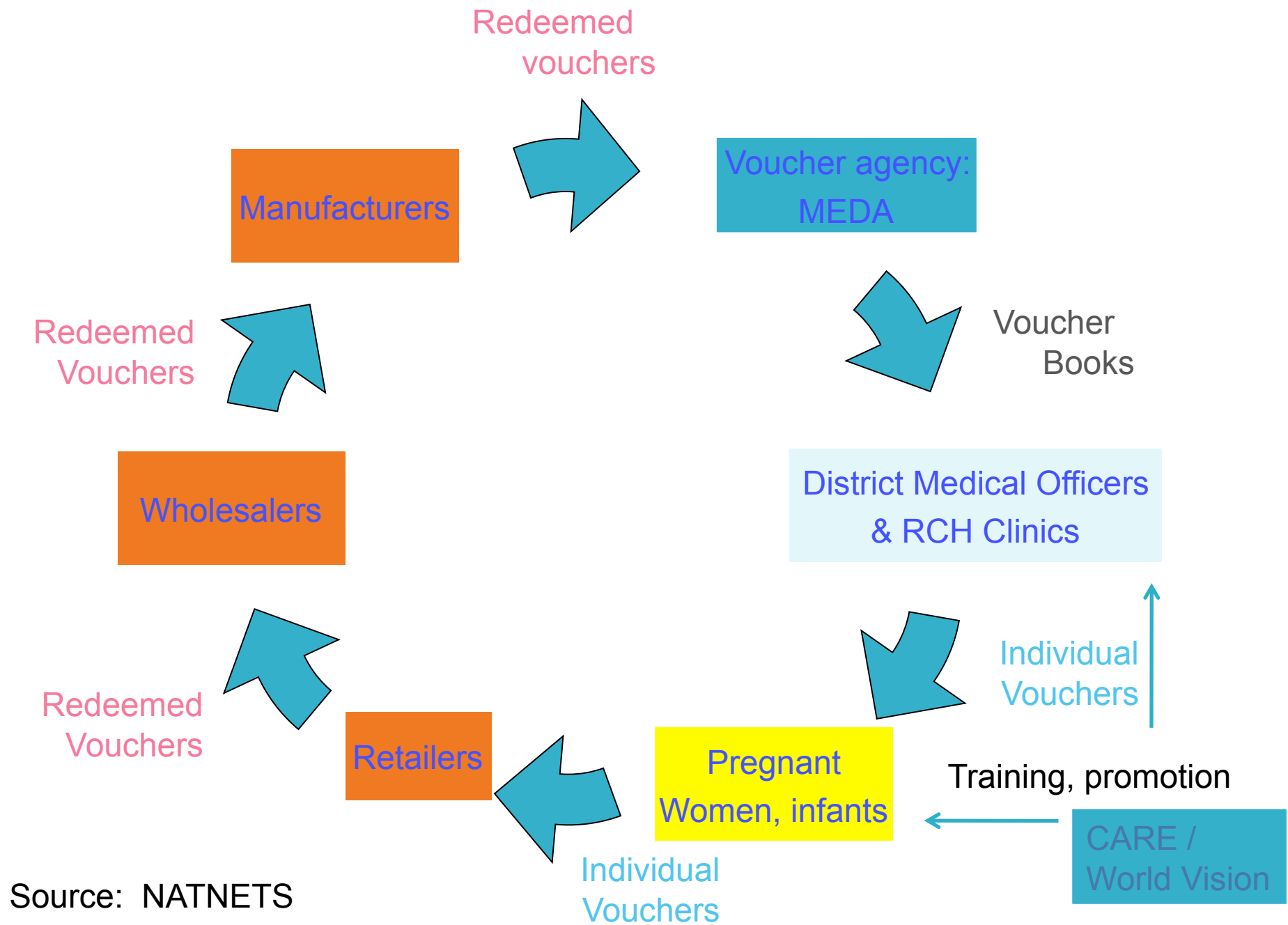


01836349

THE TNVS VOUCHER FLOW



Source: NATNETS



M&E: TO EVALUATE INDEPENDENTLY THE IMPACT OF *HATI PUNGUZO*

Evaluation domains:

- Effect on ITN coverage of pregnant women and children < 5 years
- Provision and uptake of reproductive and child health (RCH) services
- Effect on the commercial ITN market
- “Leakage” of vouchers
- Cost and cost-effectiveness

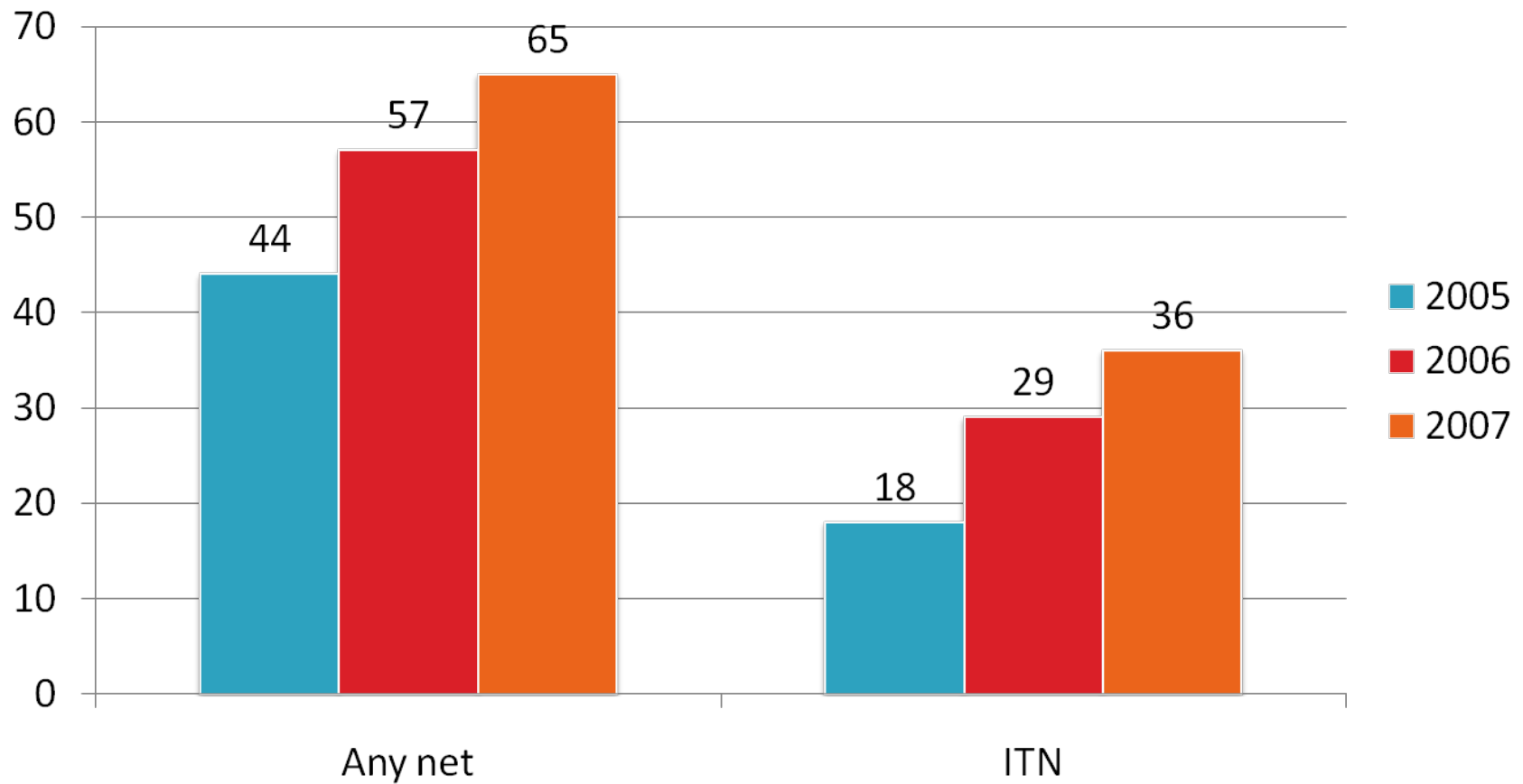
Data collection methods:

- Household survey
- Health facility and facility user survey
- Qualitative investigations with users and providers (group interviews, individual interviews)
- Voucher tracking
- Retail audit
- Cost analysis

Source: Hanson et al. (2008)

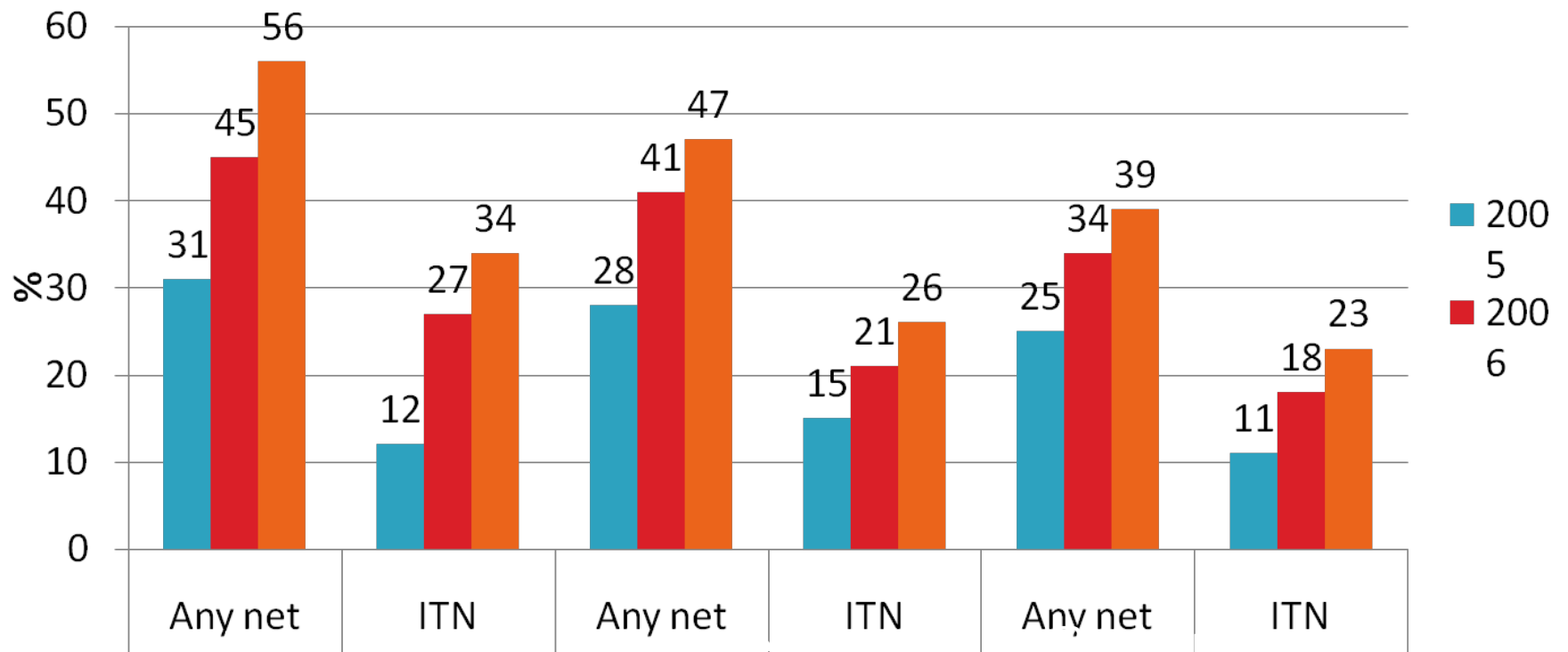
RESULTS

HOUSEHOLD NET OWNERSHIP 2005-7



Source: Hanson et al. BMJ 2009

NET AND ITN USE BY TARGET GROUP, 2005-7



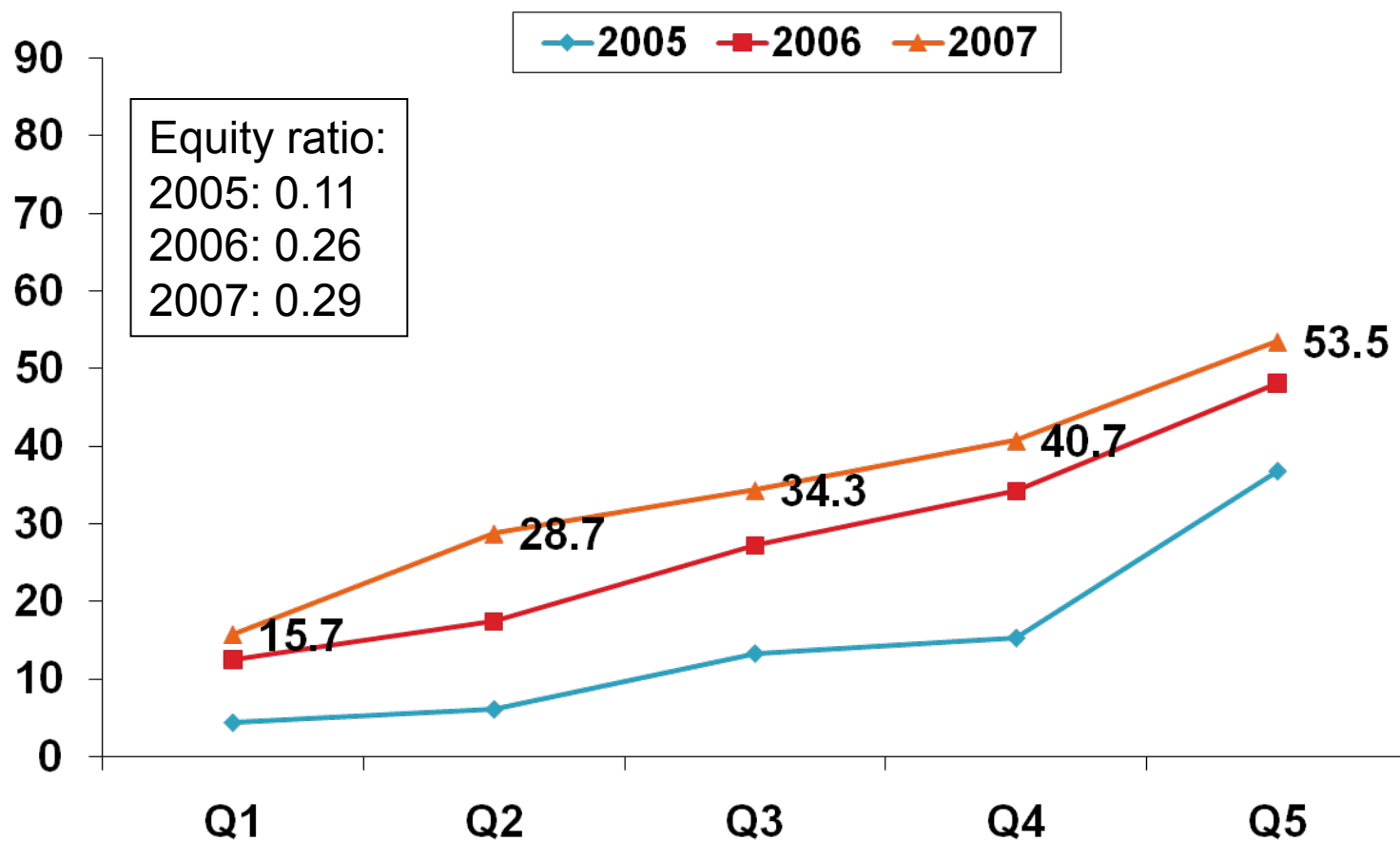
Source: Hanson et al. BMJ 2009

PERCENT OF NETS REPORTED TO BE PURCHASED USING A VOUCHER

| | 2005 | 2006 | 2007 | Design-corrected p-value for difference across years |
|---|------------------|-------------------|-------------------|--|
| Households with child < 1 | 7 % (n=1115) | 38% (n=1209) | 50% (n=1211) | <0.001 |
| Households with child < 5 | 3.5% (n=3410) | 18.8% (n=3683) | 33.5% (n=3795) | <0.001 |
| Households with currently pregnant woman | 6.3% (n=752) | 18.9% (n=577) | 23.6% (n=691) | <0.001 |
| Households with neither children < 5 nor pregnant women | 0.7% (n=2520) | 4.3% (n=2415) | 3.5% (n=2220) | <0.001 |

Source: Hanson et al. BMJ 2009

USE OF ITN, CHILDREN < 1 YEAR BY SES, 2005-7



Source: Hanson et al. BMJ 2009

EFFECT OF VOUCHERS ON ITN SUPPLY

Proportion of wards with at least 1 shop stocking ITNs (net + insecticide)



Source: Mulligan et al. 2007

LEAKAGE OF VOUCHERS

| Status | Type of use/misuse | Second round (2006/7) N= 594 n (%) | Third round (2007/8) N= 568 n (%) | Infant voucher N= 441 n (%) |
|-----------------------------------|---|---|--|-----------------------------------|
| Certainly not misused | Tracked and confirmed receipt | 77 | 70 | 76 |
| Probably not misused | Known but had traveled/out migrated or sick | 7 | 8 | 8 |
| Almost certainly misused | Voucher bearing a real name of a client/ non-client but never received it | 3 | 3 | 4 |
| Probably misused | Possibly faked names (no one knew the person in the community) | 7 | 6 | 8 |
| Not apparent (incomplete address) | Tracking failure due to incomplete address | 6 | 13 | 4 |

Source: Nathan et al. 2008

CONCLUSIONS

- Vouchers are feasible for public health products at national scale in a low-income setting
- Moderate leakage; relatively cost-effective
- Some important limitations
 - Frustration with slow pace of increase in coverage
 - Concern about persistent socioeconomic gradient in uptake (too many steps, effect of charging even small amount)
 - Gap in insecticide treatment

2009: NEW DELIVERY STRATEGIES, NEW QUESTIONS

- New GFATM funding for national retreatment campaign and free LLIN distribution to all children < 5 (“Catch up”)
- New ITN targets are for universal coverage
- How will free distribution affect the commercial net business?
- What does this mean for routine delivery of nets (“keep up”)?
- Do vouchers still make sense in this context?

Acknowledgements

LSHTM : Tanya Marchant, Jane Bruce, Caroline Jones, Joanna Armstrong Schellenberg

Ifakara Health Institute: Rose Nathan, Hadji Mponda, Yovitha Sedekia

National Malaria Control Programme: Dr. Alex Mwita, Dr Renata Mandike, Dr Nick Brown

Funding was provided through the Ministry of Health and Social Welfare (from their Round 1 Global Fund grant); PSI Tanzania (from grants from UK DFID and the Royal Netherlands Embassy; the Gates Malaria Partnership; and the United States President's Malaria Initiative

References

- Hanson K, Marchant T, Nathan R, Mponda H, Jones C, Bruce J, Mshinda H, Armstrong-Schellenberg J. 2009. A national voucher programme for insecticide treated nets in Tanzania: Effects on household ownership and use among target groups after three years of implementation. *British Medical Journal* 338:b2434 doi:10:1136/bmj/b2434.
- Hanson K, Nathan R, Marchant T, Mponda H, Jones C, Bruce J, Stephen G, Mulligan J, Mshinda H, Armstrong-Schellenberg J. 2008. Vouchers for scaling up insecticide-treated nets in Tanzania: Methods for monitoring and evaluation of a national health system intervention. *BMC Public Health* 8:205 (10 June 2008).
- Mulligan J, Ebenezeri S, Mtwara E, Stephen G, Hanson K (2007) Report on second round of retail census of the Tanzania National Voucher Scheme. Dar es Salaam: Ifakara Health Institute
- Nathan R, Mponda H, Marchant T, Sedekia Y, Hanson K. (2008) Tanzania National Voucher Scheme Report on 2007/8 Voucher Tracking Study. Dar es Salaam: Ifakara Health Institute.